



30 May 2006

Tom Navin  
Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

**Re: Federal-State Joint Board on Universal Service, CC Docket No. 96045**

Dear Mr. Navin:

Community Voice Mail National is a federally-registered 501©(3) nonprofit organization with headquarters in Seattle, Washington and operations in 38 cities from 19 states (See Attachment A, CVM Site Table). Since 1993 we have provided free, personalized voicemail access to people in crisis and transition (homeless, victims of domestic violence, and other “phoneless” people) and *last year alone* we served 46,000+ people. Families, job seekers, and victims of domestic violence are among the people who use CVM to seek employment, housing, safety and healthcare. (See Attachment B, 2005 Usage and Outcome Data).

I am filing these comments to document the *ex parte* communications I had with members of the FCC staff this month, as well as to further explicate Community Voice Mail’s unique role in the provision of a telephone substitute for low-income and homeless people.

Given our status as a public charitable organization that distributes free voicemail numbers to low (or no) income people—one of the populations intended to be served by universal service funds—we respectfully request relief from USF contribution, whatever the contribution methodology.

**Background: The CVM Service, Organization and Clients**

The CVM Service: CVM acts like a home answering machine for tens of thousands of people who do not have a reliable telephone number. Clients receive a unique 10-digit phone number from one of the 2,072 social and health services agencies that participate in the CVM network. Clients record a greeting, set a personal security code, and retrieve messages from any touchtone phone. Voice mail is offered only to those seeking help, and eligibility is based on need and assessed locally by the agency service provider<sup>1</sup>. Participating agencies record basic client demographic and outcome data that is submitted to a centralized database to assess need and impact. The average time a client keeps his/her CVM number is 7 months and the majority of CVM users achieve a goal of attaining a job, housing, healthcare, or safety.

---

<sup>1</sup> We use the term “Agency service provider” to refer to case managers, social workers, clinicians, or other staff at a human or social service agency that participates in the CVM network.



*The Organization:* CVM National is a non-profit organization that partners with other community-based non-profit and government agencies to distribute CVM numbers to homeless and low-income people. We currently have sites in 38 cities from 19 states, with active plans to launch service in the 50 most populated U.S. cities by the end of 2008. We hold a Memorandum of Agreement with each CVM host agency that outlines our standards of performance and accountability. (See Attachment C: MOA & How to Start A CVM)

CVM services are funded by private foundations, government grants, and individuals. In addition, Cisco Systems has donated more than \$800,000 worth of equipment for our centralized server farm that will serve the entire CVM network and an estimated 65,000 people annually by the end of 2008. (See Attachment D, Cisco Systems Foundation letter)

We have been recognized by numerous awards for our innovative, common-sense solution and our partnership with corporate and government entities, including the following:

- 1993 Innovations in Government Award from Harvard's JFK School of Government and the Ford Foundation
- 1999 Presidential Service Award from the Points of Light Foundation
- 2002 and 2004 Outstanding Contribution to the Community from Washington Software Alliance, in recognition of partnership with Active Voice LLC and Cisco Systems, Inc.
- 2005 Outstanding Philanthropic Organization from National Philanthropy Day (Washington State)
- 2005 Top 10 Finalist for Amazon's Nonprofit Innovations Award

### **Case for Exemption from Contribution to the USF**

CVM is both a telco customer and a charitable service voicemail provider: We currently purchase telco service and more than 45,000 DIDs (Direct Inward Dials) from vendors such as Qwest, Verizon, SBC, Broadwing, and Level3.

Heretofore, Community Voice Mail services have not been assessed USF tax because each CVM city maintained a voicemail server and purchased local telco service only. In 2005, we began moving to a centralized server on a VoIP platform. Currently, one-third of the CVM cities have migrated to the centralized server. We purchase DIDs for each local market and IP transport from the same vendor. By the end of 2006, we will be transporting 25,000 DIDs from 25 different cities, with migration completed in 2007.

CVM invested in this transfer to VOIP and single-server capacity to reduce operations costs, benefit from combined purchasing power, and increase our ability to expand into suburbs, exurbs, and rural areas.<sup>2</sup>

---

<sup>2</sup> Small cities and towns are increasingly interested in starting a CVM, only to abandon the project because the cost is too high for smaller scale CVM programs. With a centralized server, there is no



CVM is aware that Chairman Martin is interested in changing the USF contribution method from a percentage of intrastate (and international) revenue to a numbers-based one. Whatever method is adopted, CVM submits that CVM services should be exempt from contribution because of our unique role as a third-party provider of personal voicemail numbers to low-income people; i.e., those eligible to benefit from the USF's low-income program. Specifically:

1. *CVM promotes the goals of Universal Service by providing a basic telecommunications tool for low-income people.* The FCC's web site states "Telephone service is considered a necessity for daily modern life, yet the cost of activating and maintaining such service may be prohibitively expensive for low-income consumers. Under Congressional mandate, the FCC Federal Universal Fund includes the Low-Income program."<sup>3</sup>

According to 2005 CVM data, 50% of our clients were homeless and all were low-income. CVM clients receive a CVM number via their participation in agencies such as WorkForce, Catholic Community Services, Veterans Administration, YWCA, state foster care programs and county health and shelter facilities. Such agencies verify their clients' income and residential status via numerous intake mechanisms and complete a CVM intake form for each client enrolled.

In addition to our regular clients, last fall we provided thousands of toll-free voicemail numbers to Hurricane Katrina evacuees in 22 communities. This service was available from September 9 2005 until May 31, 2006.<sup>4</sup> (See Attachment E, Katrina article).

Clearly, CVM's entire client base is one intended to benefit from, not be hurt by, universal service. Given our non-profit business model and "customer" population, we believe CVM has a unique case for exemption from USF contribution.

2. *If CVM is not exempt and if a numbers-based methodology that includes DID's is adopted, CVM's operating costs would increase by 150% in the first year and up to 320% by 2008<sup>5</sup>; in short, CVM would be forced to close down operations.* CVM is aware that Chairman Martin is interested in moving to a numbers-based contribution method and that a \$1/mth contribution has been discussed. Such an assessment would cripple CVM operations.

---

equipment purchase and DID's are ordered in the same, high-volume account, greatly reducing costs and technical expertise.

<sup>3</sup> See <http://www.fcc.gov/cgb/consumerfacts/lowincome.html>

<sup>4</sup> Pending funding, we plan to house a basic capacity of 3,000 phone numbers that can be quickly deployed following any type of future disaster that displaces a large number of people.

<sup>5</sup> Assumptions: \$1USF/DID/mth, with 25,000 DID's purchased in 2006 (centralized system) and 65,000 DID's purchased (centralized system) by 2008.



Currently, CVM sites operating on the old (local service) model pay approximately \$2.25/DID/mth (national average of combined trunkline+DID cost). Under our new centralization model, those costs will be reduced by 20-30% by the end 2008. A \$1/mth/DID Universal Service Fund contribution would represent an estimated 63% of the total telephone expenses, effectively reversing (and punishing CVM for) the gains achieved by migrating to a centralized system on a VOIP platform.

3. *The majority of CVM participating agencies are recipients of government funds or are themselves public agencies and should not use government dollars to contribute to another government service.* CVM is used by more than 46,000 clients of social, health, and human service agencies in 38 cities across the nation. CVM benefits the service providers at these agencies in that it streamlines their ability to contact clients. As a double benefit to clients and employees of government-funded agencies, CVM is a prudent and innovative investment that stretches government dollars by focusing them on client services.

If CVM costs increase greatly, communities will either lose CVM as an efficient tool for case management, or they will spend a much larger percentage of their agency government funding to contribute to the USF.

Given these factors that distinguish Community Voice Mail as a unique, non-governmental provider of voicemail service to low-income people, we request exemption from contribution to the Universal Service Fund.

Pursuant to Section 1.1206(b)(1) of the Commission's rules, one electronic copy of this *ex parte* letter has been filed in the proceeding for CC Docket No. 96-45, Federal-State Joint Board on Universal Service.

Thank you for your careful consideration of these comments.

Respectfully submitted,

Jennifer D. Brandon  
Executive Director

Enc. (Noted Attachments)